



Redomiciliation

When a company redomiciles to Portugal, there is no asset transfer, no crystallisation of Capital Gains, no “IMT”(Property Transfer Tax), no Stamp Duty on Real Property. With no chargeable events taking place, only the headquarters and effective management move to Portugal. The assets remain safely within the company. Thus the alternative term for Redomiciliation: *Continuance*. Continuance opens attractive opportunities for legitimate tax mitigation.

Updated Basis for Capital Gains Tax

Following company registration in Portugal, a Balance of Accounts needs to be presented to mark the starting point as a Portuguese resident corporate entity. Legislation (passed in May 2019), based on the 2016 EU Directive, updates the Portuguese Corporate Tax code (“CIRC”). Upon Redomiciliation, the company’s balance sheet must be based on *net book value*, rather than *historical value* as was the case previously. When correctly implemented, there will be many cases have little or no difference between the *net book value* and *market value* upon the transfer of the company’s asset, reducing or eliminating any Capital Gain.